

Denali Commission

Challenges in Alaska

“Financial Accountability for Small to Mid-Sized Agencies”

15th Annual Government Financial Management Conference
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Presenters

- **Corrine Eilo:** Administrator, Denali Commission
- **Mary Heath:** Associate Director, Financial Accounting Services, Financial Services Center, Department of Veterans Affairs
- **David Bailey:** Vice President, Arctic Information Technology, Microsoft GOLD Certified Partner

Financial Accountability for Small to Mid-Sized Agencies

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OMB

- All executive agencies required to prepare and submit audited financial statements to OMB and the Congress
- OMB expanded the authorization granted under the Reports Consolidation Act of 2000 to require that agencies prepare a combined Performance and Accountability Report (PAR) each year.
- References
 - Chief Financial Officers (CFO) Act of 1990
 - Accountability for Tax Dollars Act of 2002
 - Circular A-123
 - Management's Responsibility for Internal Control (Effective beginning with Fiscal Year 2006)
 - Management's Accountability and Control (Effective through Fiscal Year 2005)
 - OMB Circular A-136
 - Financial Reporting Requirements (December 21, 2004)

OMB

- The Office of Federal Financial Management (OFFM)
 - Created within (OMB) by the CFO Act of 1990.
 - Responsible for the financial management policy of the Federal Government, including:
 - implementing the financial management improvement priorities of the President
 - establishing government-wide financial management policies of executive agencies
 - carrying out the financial management functions of the CFO Act.

OMB

- President's E-Government Strategy
 - Identified government-wide initiatives to integrate agency operations and information technology investments
- OMB forms five task forces/Lines of Business (LOB)
 - Financial Management
 - Human Resources Management
 - E-Training, E-Clearance, and E-Payroll
 - Grants Management
 - Grants.gov
 - Federal Health Architecture
 - Case Management

OMB

- A **financial system** supports the financial functions required to track financial events, provide financial information significant to the financial management of the agency, and/or required for the preparation of financial statements. A financial system encompasses automated and manual processes, procedures, controls, data, hardware, software, and support personnel dedicated to the operation and maintenance of system functions. A financial system may include multiple applications that are integrated through a common database or are electronically interfaced, as necessary, to meet defined data and processing requirements.

Department of Veterans Affairs

- **Financial Services Center**
 - Franchise Fund
 - Offers financial services to Other Government Agencies (OGA's)
- Pursuing OMB designated Center of Excellence (COE) under the Financial Management Line of Business (FMLOB)
 - Partnership with Microsoft

Department of Veterans Affairs

- Currently running two versions of Great Plains
 - Version 7.0 Great Plains
 - Division of Immigration Health Services (DIHS)
 - Homeland Security Agency
 - Medical Claims processing through Plexis for adjudication and then integrates with Microsoft Great Plains for accounting, payment and reporting
 - Payment Manager transfers check edit & EFT files to Treasury

Department of Veterans Affairs

- Version 8.0 Great Plains
 - Cooperative Administrative Support Units (CASU)
 - Processing Vendor and Customer Invoicing
 - Financial Reports
 - Collection Activities
 - White House Commission on Remembrance
 - Full Accounting system
 - PAR and Financial Statement Reporting

Denali Commission

- Small federal agency set up in 1998 by US Congress to deliver services to Alaskans
- Used QuickBooks
 - Outgrowing
 - No Audit Trail
 - Accountability Inefficiencies
 - Needed improvement on Purchase Order processing

Denali Commission

- Began investigating packages in October 2002
 - Oracle and PeopleSoft too costly and lengthy implementations
 - Arctic IT and US Department of Veterans Affairs role
- Licensed Microsoft Great Plains in April 2003
 - Customized purchase order processing to include document scanning
 - Expanded default posting accounts
 - Customized for all journal entries to hit proprietary and budgetary accounts
 - Extended for usage with disbursements from other agencies

Denali Commission

- Deployed Great Plains in October 2003
 - Ran parallel with old system for one month
 - Trained all staff in 90 days
 - On time and within budget
 - Gained a Business Solutions Partner in Arctic IT for local support
- Benefits
 - New accounting solution within 12 months
 - Reasonable cost (less than \$250,000)
 - Audit trail
 - Handles appropriations and expenditures
 - Increased staff productivity by more than 50%
 - Microsoft FRx Report Server for reporting needs
 - Kept overhead at 5 percent
 - IMPROVED ACCOUNTABILITY!

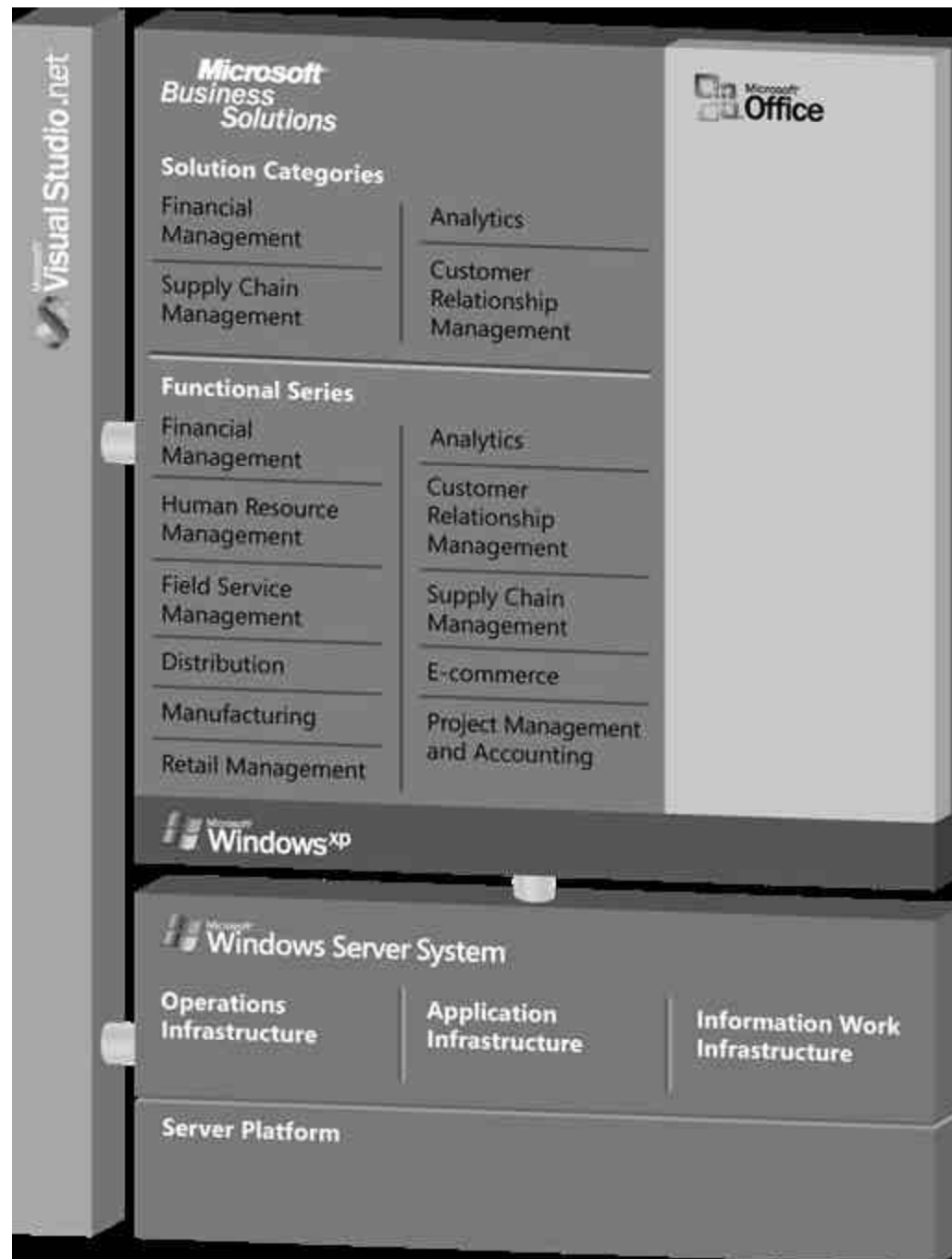
Arctic Information Technology

- Customizations
 - Budgetary Module
 - Transactions affect both budgetary and proprietary standard general ledger accounts
 - Reporting
 - SF-224, FACTS, SF-133
 - Payment Methods for Treasury
 - IPAC, ECS, Check
 - Interfaces
 - Travel, Payroll, Credit Card

Microsoft Business Solutions

- **Microsoft Business Solutions (MBS)**
 - \$2.5B acquisition investment
 - 1,700 R&D staff
 - 20 years business applications experience
 - More than 250,000 customers worldwide
- **Microsoft Great Plains**
 - **Module Driven**
 - General Ledger, Payables, Receivables, Inventory, Fixed Asset, Grant Management, Encumbrance Management, PO Generator, etc.
- **Other Software**
 - Forecaster
 - FRx
 - Business Portal

**Microsoft
Business
Solutions
is Focused
on Present and
Future Needs
of Small and
Medium Sized
Agencies**



Conclusion

- The relationship between the Department of Veterans Affairs, the Denali Commission and Microsoft Business Solutions Great Plains demonstrates the success that can happen with a partnership between the public and private sector. Also it provides small and mid-sized agencies an alternative idea for increasing accountability within their own agency.
- Questions?

Contact Information

- Booth here convention for Demonstrations
- Dave Bailey 907-646-7302
dbailey@arcticit.com
- Mary Heath – 512-460-5123
mary.heath@mail.va.gov
- Corrine Eilo – 907-271-1414
ceilo@denali.gov